

**IN THE HIGH COURT OF JUDICATURE AT BOMBAY
ORDINARY ORIGINAL CIVIL JURISDICTION**

INCOME TAX REFERENCE NO. 195 OF 1998.

The Commissioner of Income-tax. ... Appellant.

V/s.

M/s.Arjun Khimji Ginning & Pressing
Company Limited.

... Respondent.

Ashok Kotangale with Parag Vyas for the applicant.

S.J.Mehta for the respondent.

CORAM : V.C.DAGA AND J.P.DEVADHAR, JJ.

DATED : 4th October 2005.

P.C. :

. By this reference under section 256(1) of the Income-tax Act, 1961, the Income Tax Appellate Tribunal has referred the following question of law for the opinion of this Court:

"Whether, on the facts and in the circumstances of the case, the Tribunal was right in law in holding that depreciation is allowable to the assessee company on the cost or written down value of plant and machinery (without deducting the special subsidy received from the Government of Karnataka) for A.Y. 1983-84?"

. Learned counsel for the parties agreed that the question sought to be referred to this Court for opinion has already been answered by the Apex Court in the case of **C.I.T. v. P.J.Chemicals Ltd.,** (1994) 210 ITR 830 (SC) in favour of assessee. Accordingly, the question referred is answered in

the affirmative i.e. in favour of assessee and
against the Revenue.

. Reference stands disposed of with no order
as to costs.

(J.P.DEVADHAR, J.)

(V.C.DAGA, J.)